



SPECIAL CITY COUNCIL MEETING

July 23, 2019

**City Council Chambers 400 East Military, Fremont NE
SPECIAL MEETING – 6:30 P.M.**

AGENDA

SPECIAL MEETING:

1. Meeting called to order
2. Roll call
3. Resolution 2019-134 to approve the medical insurance renewals with Blue Cross Blue Shield of Nebraska (staff report)
4. Preliminary budget discussion (staff report)
5. Adjournment

Agenda posted at the Municipal Building on July 18, 2019 and online at www.fremontne.gov. Agenda distributed to the Mayor and City Council on July 19, 2019. This meeting is preceded by publicized notice in the Fremont Tribune and the agenda, including notice of study session, is displayed in the Municipal Building and is open to the public. The official current copy is available at City Hall, 400 East Military, City Clerk's Office during normal business hours. The City Council reserves the right to go into Executive Session at any time. A copy of the Open Meeting Law is posted in the City Council Chambers for review by the public. The City of Fremont reserves the right to adjust the order of items on this agenda.

§2-109 Audience / Participant; Rules of Conduct.

The following rules are established for audience members and participants at a Council meeting:

1. At the discretion of the presiding officer, any person may address the Council, on any agenda item; however, questions to City officials or staff, other speakers, or members of the audience are not permitted and will not be answered.
2. Any person wishing to address the Council shall first state their name and address.
3. Remarks shall be limited to five minutes unless extended or limited by the Presiding Officer or majority vote of the Council.
4. No person will be permitted to address the Council more than once during discussion of a particular agenda item. Rebuttal comments are not permitted.
5. Repetitive or cumulative remarks may be limited or excluded by the Presiding Officer or majority vote of the Council.
6. Profanity or raised voice is not permitted.
7. Applause, booing, or other indications of support or displeasure with a speaker are not permitted.
8. Any person violating these rules may be removed from the Council Chambers.

The following additional rules are established and applicable for public participants at an Open Public Comment Period or Study Session meeting:

9. At the direction of the presiding officer, Open Public Comment Period Speaker Topics will be limited to those not covered by a published agenda for any Study Session, or any regular City Council meeting.
10. A priority to speak at Open Public Comment Periods and Study Session shall be given to those speakers who reside within the City limits, or within the ETJ (Extra-Territorial Jurisdiction – a two (2) mile radius of the City limits) of Fremont, and then, as time allows, to those who do not.
11. Member of the public wishing to speak at a Study Session will be required to limit their comments to those that are directly related to the Publicly Noticed Study Session agenda topic(s).
12. Written letters addressed to the City Council will be accepted, as will comment cards that will be made available and collected from those who attend Open Public Comment Period and Study Session meetings who do not wish to speak publicly, but have an issue or concern that they believe the Council should be made aware of.

STAFF REPORT

TO: Honorable Mayor and City Council

FROM: Jennifer McDuffee – Director of Human Resources

DATE: July 23, 2019

SUBJECT: Medical and Dental Insurance Administrative Services and Stop Loss Coverage Renewal Confirmation

Recommendation: Approve to extend medical & dental insurance plan administrative services and stop loss coverage with Blue Cross Blue Shield of Nebraska.

Background: The City has retained IMA Inc. as our insurance broker for a number of years. The attached letter from IMA Inc. outlines their recommendation to renew our plan administration and stop loss coverage with Blue Cross Blue Shield of Nebraska (BCBSNE). BCBSNE premiums for administrative services will be approximately \$2,975 (based on current enrollments) more than our current plan year. The premiums for stop loss will remain the same.

BCBSNE requires that we confirm our renewal within 30 days of issuance of the final quote to lock in the quoted rates or before July 28, 2019. Agreements will be drafted and provided for Council approval after confirmation of renewal is provided to BCBSNE.

Fiscal Impact: The cost of the medical and dental administration is estimated at \$155,785 for the next fiscal year (based on current enrollments). The cost of stop loss protection is estimated at \$431,496 for the next fiscal year (based on current enrollment) for a \$225,000 specific deductible with an additional aggregating specific deductible of \$100,000.

Due to a decrease to the carrier's maximum claims, the overall plan expenses for the medical coverage are decreasing \$601,093 (based on current enrollments) at the carrier's expected costs compared to the current plan year expected costs (this is approximately an 8.8% decrease).



July 17, 2019

Jennifer McDuffee
Director of Human Resources
400 E Military Avenue
Fremont, NE 68025

RE: 2019 Stop Loss Renewal Summary

Jennifer,

The City of Fremont contracts with Blue Cross Blue Shield of Nebraska for Stop Loss protection and this letter will summarize the details of the October 1, 2019 renewal for both Individual and Aggregate Stop Loss coverage.

Marketing Efforts

IMA marketed the stop loss coverage to stand alone stop loss carriers and one carrier that packages the stop loss and administration. The preliminary quotes received from these carriers offer neither significant cost savings nor reduction to the plan's claims exposure and would require additional claims information including an additional month of claims experience before offering firm proposals. Waiting for an additional month of claims data would allow BCBS of NE to revise their renewal offer, which they have indicated they would. This brings a potential for significant cost increases.

Renewal Analysis

BCBSNE provided a specific stop loss renewal for a \$225,000 specific deductible and a \$100,000 aggregating specific deductible on a paid basis. BCBSNE provided an aggregate stop loss renewal with a 125% aggregate corridor on a paid basis. Both contracts match what is currently in place.

The specific stop loss premiums had no rate increase and remain at \$126.77 PCPM.

The aggregate stop loss premiums had no increase to rates and remain at \$11.00 PCPM.

The aggregate stop loss attachment point (maximum claims) are decreasing 11.53% to \$1,849.60 PCPM.



BCBSNE's renewal continues to include 2 lasers:

Laser A - \$300,000

Laser B - \$600,000

Due to a decrease to the carrier's attachment point, the overall plan expenses for the medical coverage are decreasing 8.8% at the carrier's expected and 9.3% at the maximum compared to BCBSNE's projected 2018-2019 plan costs.

Sincerely,

Denise Dougherty
Account Executive, IMA Financial Group

City of Fremont

Administrative Costs

<u>Effective Date</u>	<u>10/1/2019</u>		
Administration with Passthrough Rx and rebates retained by the Group	\$	44.00	
Administration with Passthrough Rx and rebates retained by BCBSNE	\$	36.00	
Admin Pass Through			
SPM	\$	0.65	PCPM
Telehealth	\$	0.25	PCPM
Final PCPM Administration Pass Through	\$	0.90	
Total Administration with Passthrough Rx and rebates retained by the Group	\$	44.90	
Total Administration with Passthrough Rx and rebates retained by BCBSNE	\$	36.90	
		<u>Current</u>	<u>Proposed</u>
BCBSNE Pure Administration	\$	43.05	\$ 44.00
BCBSNE Pass Through Administration	\$	0.90	\$ 0.90
Total Administration	\$	43.95	\$ 44.90
			<u>Change</u>
			2.2%
			0.0%
			2.2%

Specific Stop Loss**Final**

	<u>Option 1</u>	<u>Option 2</u>
	Paid	Paid
Basis For Option (Incurred Months/PaidMonths)		
Specific Stop Loss Deductible	\$ 225,000	\$ 225,000
Aggregating Specific Deductible	\$ 100,000	N/A
New Stop Loss Charge PCPM	\$ 126.77	\$ 154.88
Current Charge PCPM	\$ 126.77	\$ 126.77
Change in Charge	0.00%	22.17%
Projected Annual Specific Stop Loss Premium with 261 average contracts per month	\$ 397,445	\$ 485,572

Aggregate Stop Loss

	125%	125%
Aggregate Corridor		
New Aggregate Charge PCPM	\$ 11.00	\$ 11.00
Current Aggregate Charge PCPM	\$ 11.00	\$ 11.00
Change in Charge	0.00%	0.00%
Attachment Point PCPM	\$ 1,849.60	\$ 1,849.60
Current Attachment Point	\$ 2,090.69	\$ 2,090.69
Change in Attachment Point	-11.53%	-11.53%

Medical Commissions

Broker:	Ima Inc	PCPM	PCPM
PCPM	0	0	0
Percentage of Claim	0%	0	0
Flat monthly	0	0	0
Spec SL Commission as PCPM		0	0
Agg SL Commission as PCPM		0	0
Total Medical Commission PCPM		\$ -	\$ -

Employer group has 30 days from 06/28/2019 to accept rates and factors presented here.

Failure to submit signed/dated acceptance will result in further review and potential revisions to offer.

Signature: _____

Date: _____

Rating Assumptions

- (1) Benefits for mental health and substance abuse have been analyzed pursuant to the Paul Wellstone and Pete Dominici Mental Health Parity and Addiction Equity Act, including issued rules and regulations. However, no formal testing for compliance with the Act has been performed, as it is ultimately the Plan Sponsor's responsibility for complying with the Act and its requirements.
- (2) Renewal offering is contingent upon compliance with underwriting guidelines and mandatory purchase of stop loss coverage through Blue Cross and Blue Shield of Nebraska unless approved by Underwriting.
- (3) Removal of the Rx benefit may result in an increase in the corresponding administrative percent of claims or per head applied to the medical. Administration fees shown do not include any fees applicable to the Blue Card program.
- (4) Please be advised that Blue Cross and Blue Shield of Nebraska does not perform plan discrimination testing. Such activities are the responsibility of the employer.
- (5) In event of termination of the administrative services contract at the end of the upcoming contract year the estimated liability of the group for incurred, but not yet paid, claims is \$428,419, excluding administration.
- (6) The above does not include any fees associated with the BlueCard Program or Patient-Focused Care Program. These fees will be billed additionally.
- (7) If the group has under 500 covered contracts and voluntarily chooses to cover transgender services, those services are excluded from coverage under the Stop Loss policy
- (8) The following lasers will apply: Claimant 88692588511 at \$600,000 and Claimant 88692588512 at \$300,000,

RESOLUTION NO. 2019-134

A Resolution of the City Council of the City of Fremont, Nebraska approving confirmation of renewal of the Administrative Services and Stop Loss coverage for the 2019-2020 plan year with Blue Cross Blue Shield of Nebraska.

WHEREAS, Blue Cross Blue Shield of Nebraska has provided the most favorable quote for Administrative Services and Stop Loss Coverage for employee medical and dental insurance; and,

WHEREAS, Blue Cross Blue Shield of Nebraska requires that the city confirm renewal no more than 30 days after issuance to lock in the quoted rates,

NOW, THEREFORE BE IT RESOLVED, the Mayor and City Council authorize staff to confirm renewal of the Administrative Services and Stop Loss coverage with Blue Cross Blue Shield of Nebraska for medical and dental insurance effective October 1, 2019.

PASSED AND APPROVED THIS 23rd DAY OF JULY, 2019.

Scott Getzschman, Mayor

ATTEST:

Tyler Ficken, City Clerk

2020 – 2019 Budget

July 23, 2019 Presentation



Here We Grow

Budget Basics

Fund	Description
001	General fund
011	Sales Tax fund
012	Street fund
017	Community Development Agency (CDA)
018	Debt Service fund
020	KENO fund
021	Trust fund (Library trusts)
029	Airport fund
031	CDBG clearing fund
032	CDBG Revolving loan fund
033	Communications Center/Eg11
034	Drug Task Force/III Corps fund
035	Wireless Eg11 fund
040	Special Projects fund
041	Special Assessments fund
042	BID #1 fund
060	City Employees' Insurance fund (CEI)
061	Workers' Compensation fund
063	Employee Wellness/Safety fund

City (governmental) Fund Legend

City Major Department legend

	General Fund		General Fund
001-1001	City Council/ Mayor	001-2026	Facilities
001-1002	City Administrator	001-2027	Park
001-1003	City Clerk	001-2028	Ronin Pool
001-1004	Inspections	001-2029	Recreation
001-1305	Engineering	001-2030	Splash Station
001-1206	Fire	001-2031	Library
001-1007	Human Resources	001-2042	Cemetery
001-1208	Volunteer Fire		Sales Tax
001-1209	Police	011-2055	Public Safety sales tax
001-1011	Information Technology	011-2056	Infrastructure sales tax
001-1013	Waste Transfer	011-2057	Property Tax Relief sales tax
001-1015	Administration	011-2058	Streets sales tax
001-1016	City Attorney	011-2059	LB840 Economic Development
001-1217	Civil Defense		Street Department
001-2021	Board of Adjustment	012-2025	Street maintenance
001-2024	Planning	012-2032	Street improvements

Budget Calendar for FY 2020-2021

Date	Purpose
August 6, August 20, 2019	City Council Budget Study sessions
August 20, 2019	Valuation available from County Assessor
August 27, 2019	City Council meeting, public hearing on budget, first reading of Appropriation Ordinance, resolutions setting levy and budget authority
September 3 and/or 17, 2019	Special City Council meetings to provide for three readings of Appropriation Ordinance
September 10, 2019	City Council meeting, reading of Appropriation Ordinance
September 20, 2019	Adopted budget must be filed with State Auditor and County Clerk

REVENUES

Changes expected in this two-year budget

- Property valuations are still a question mark. Expected increases based on County increasing commercial valuations 12 percent will be offset by protests and flood relief claims. Using a five percent increase in 2020 and 2021 to be conservative.
- Sales tax continues to increase, and staff is working on an estimate of reserves needed to address Nebraska Advantage Act refunds. While clearly the most significant, Costco is not the only company using this incentive.
- Utilities will see a shift in revenues over the next two years, as demand changes by industrial customers will have a noteworthy impact, as will new processing technology at the City's Wastewater Treatment Plant.
- Because of negotiated salary increases, coupled with an ever increasing cost of supplies and equipment, no additional staff is being considered in 2020.

Other factors to consider:

- Wages and benefits are set based on comparability to the City's peer group, called the array.
 - The 2020 census will determine the City's status in relation to the Metropolitan Service Area (MSA). The results could have a significant impact on governmental wages, particularly in the public safety departments, if the City is placed in the Omaha MSA.
 - The portion of employee insurance contributions are also dictated by comparability. For the current budget years, (2020 and 2021), no overall increase to base premiums are expected; however, the portion that the employees contributes increases by 0.7 percent in 2020.
- Position counts, or billets, are remaining stable to current staffing levels in this budget cycle. As positions come open, they are analyzed by staff to maximize the human capital to fit current needs.
- The number of vehicles are also remaining the same, so any new purchase requires that older, less reliable vehicles are sent to auction.

The City Council will be presented the Five-Year Capital plan in August.

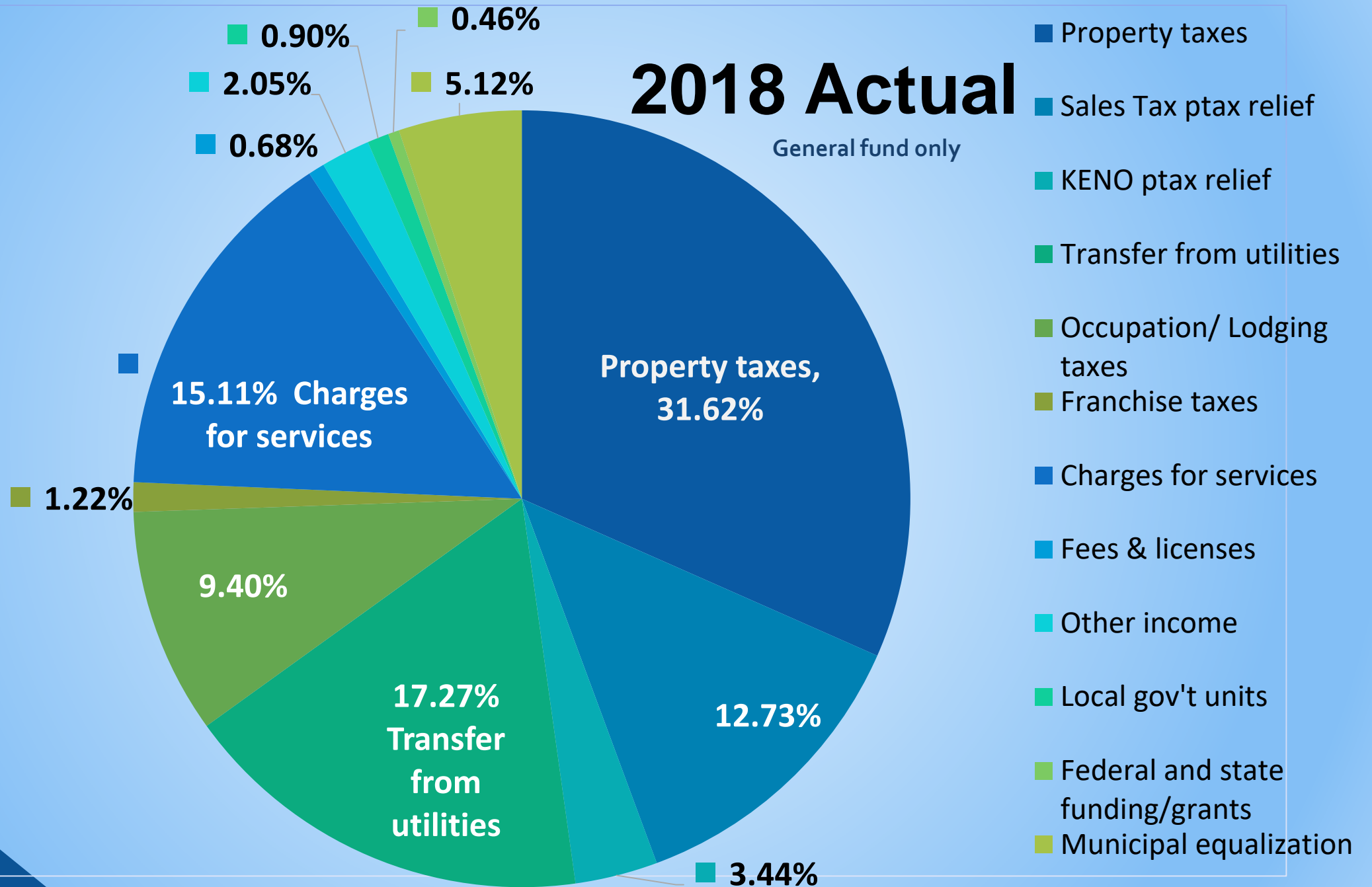
- Two two-year budget cycles have proven that City Staff is not clairvoyant. We are currently projecting what will be needed in five years for the capital budget.
- Staff is presenting a *five-year* capital plan
 - Much like the Public Works Director presents the One and Six Road report.
 - The first two years will be included in the two-year budget cycle as a part of the overall appropriation approved by Council.
 - As needs change, staff may move projects and equipment forward, or push projects to later years; however, the amount appropriated each year will not be exceeded. Department heads must receive approval from City Administration before making these changes.

Governmental Revenues

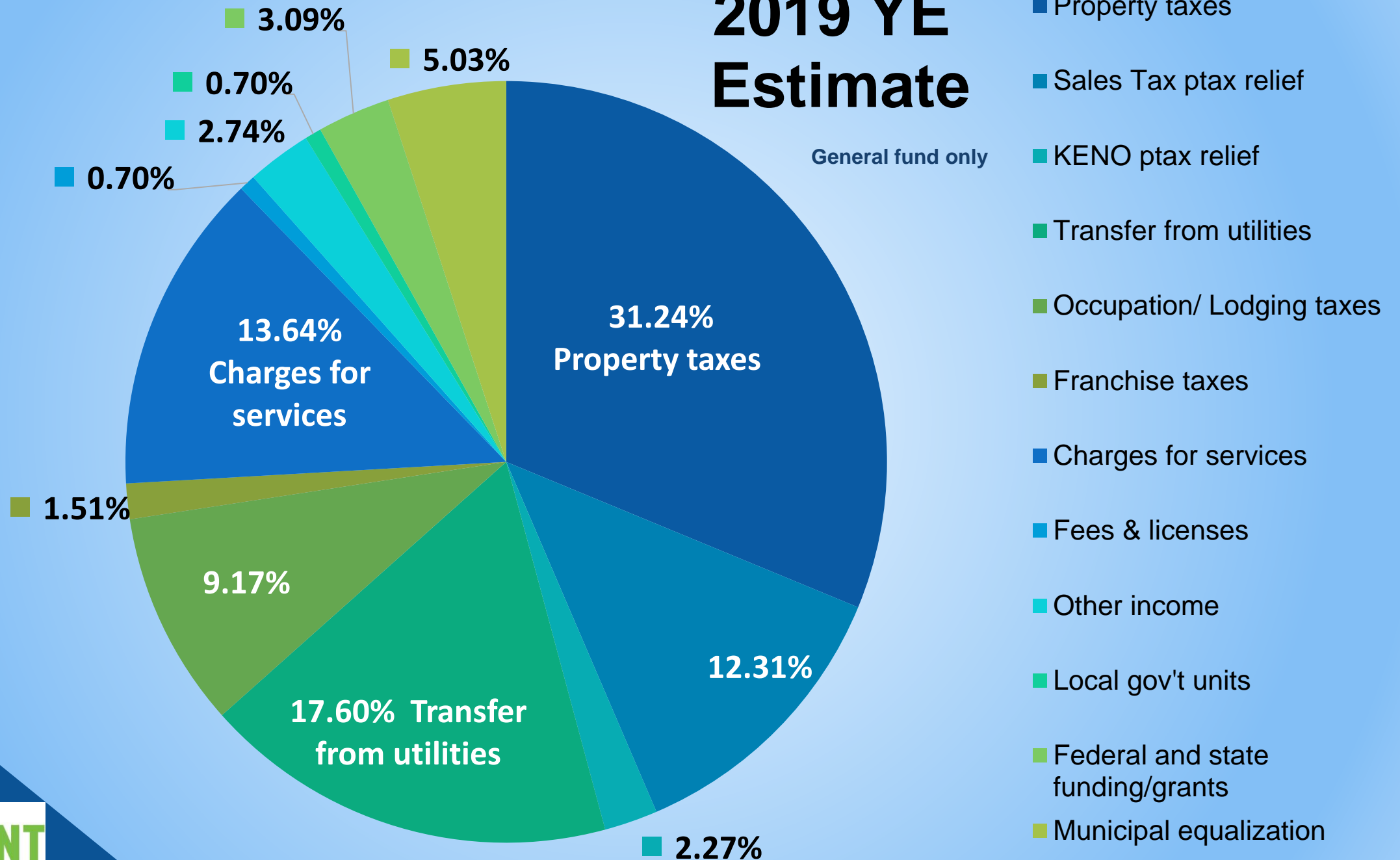
General Fund first

2018 Actual

General fund only

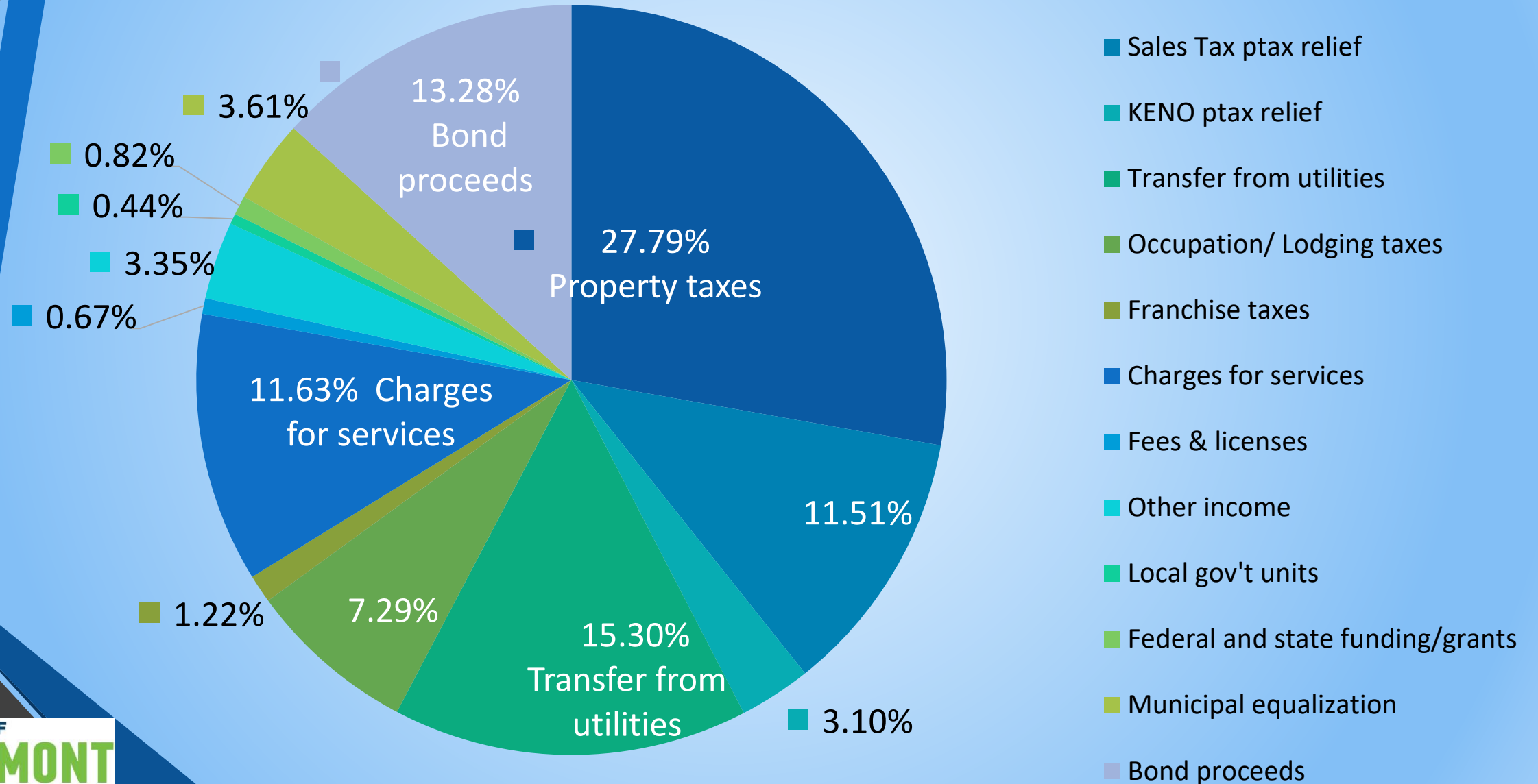


2019 YE Estimate



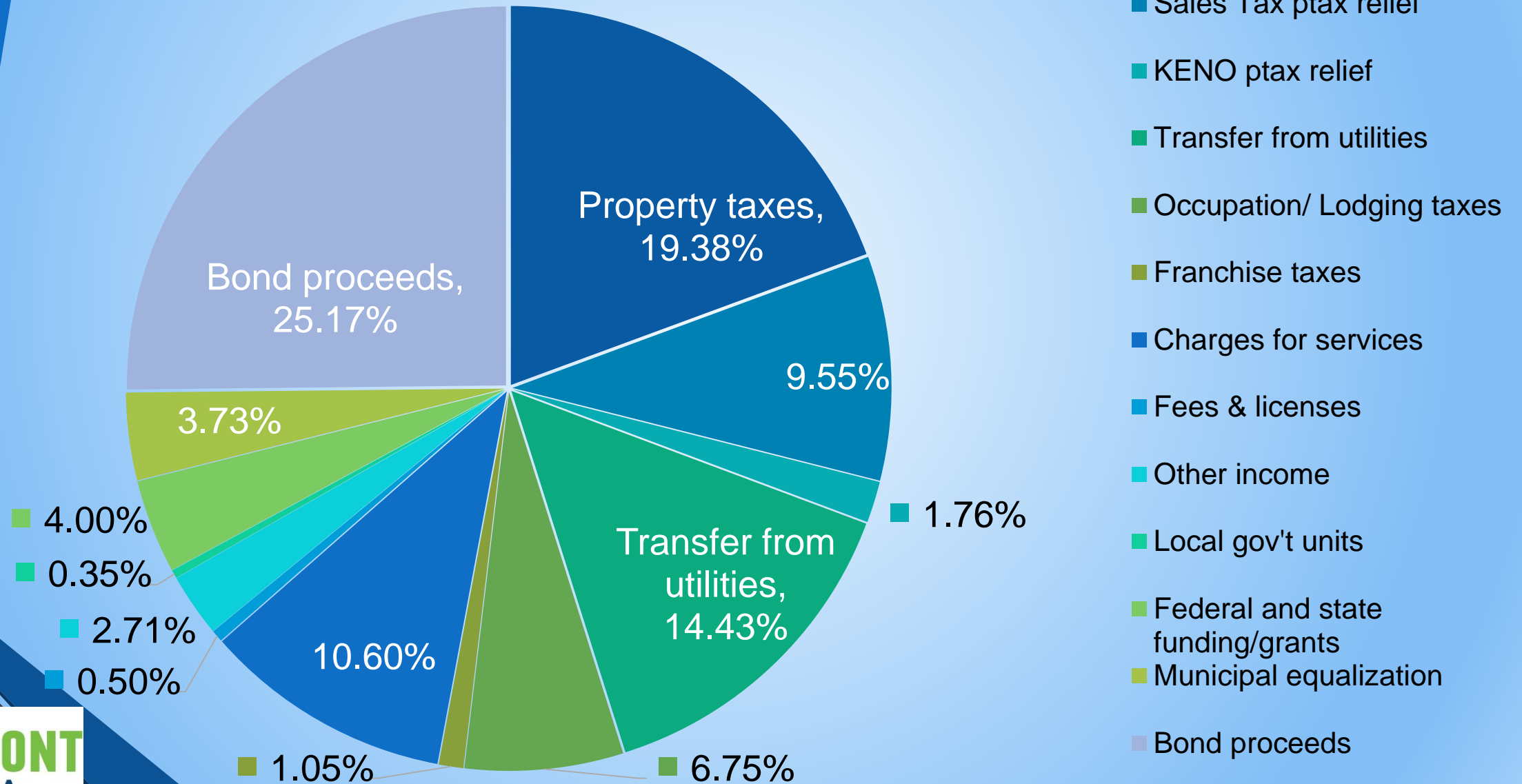
2020 Budget

General fund only



2021 Budget

General fund only



Greatest Source of Governmental Revenue?

Property tax and Sales Tax

Some terminology first

- **Three elements of property tax:**
 1. Property tax request: Total amount of property taxes needed.
 2. Valuation: Certified by County Assessor on August 20 annually
 3. Property tax levy: The levy imposed per \$100 of valuation

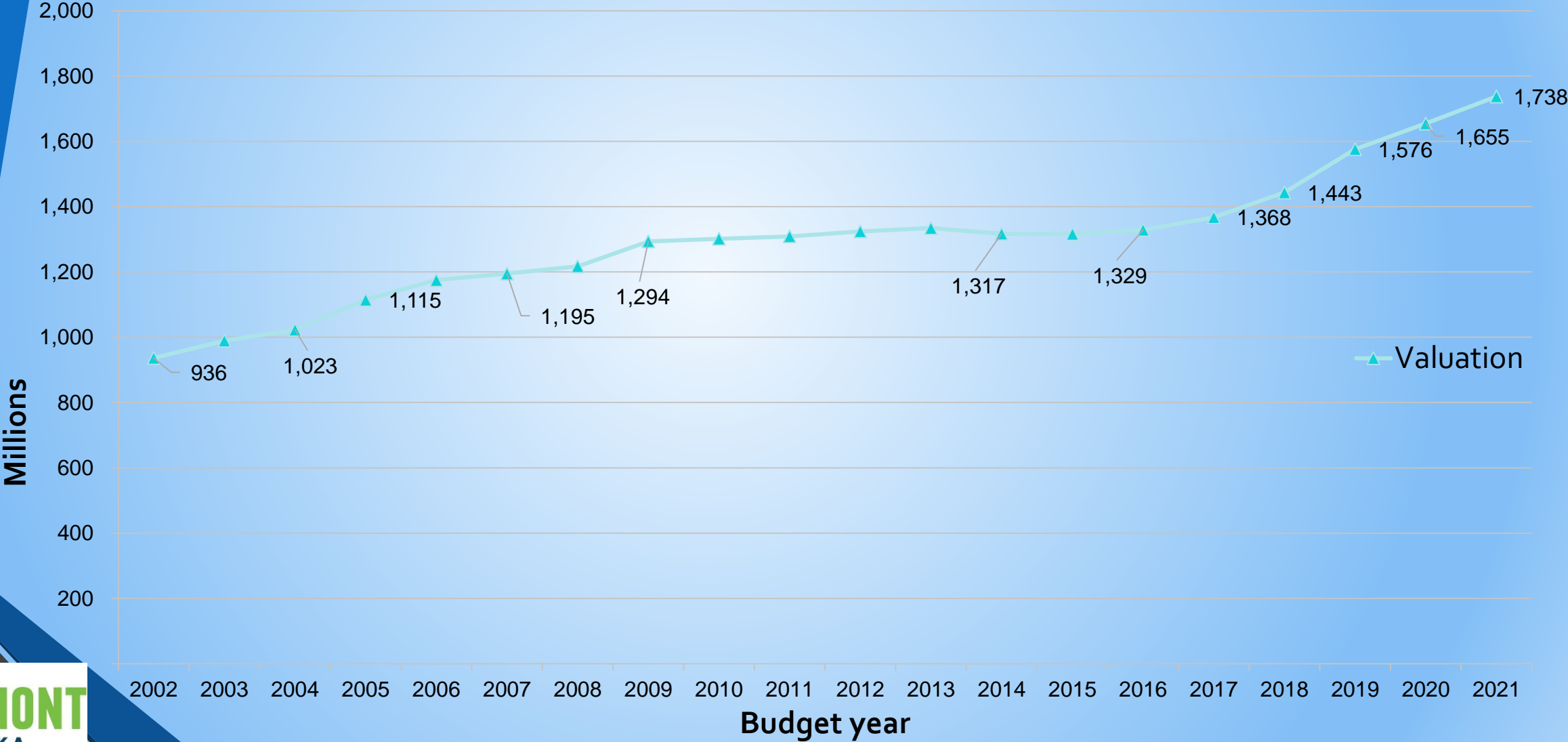
Two ways to determine request and levy:

1. $\text{Valuation} \times \text{levy} = \text{Property tax request}$
(this is the method typically used by the City for the All other obligations request)
2. $\text{Property tax request} / \text{valuation} = \text{levy}$
(this is the method used to determine the debt service request.)

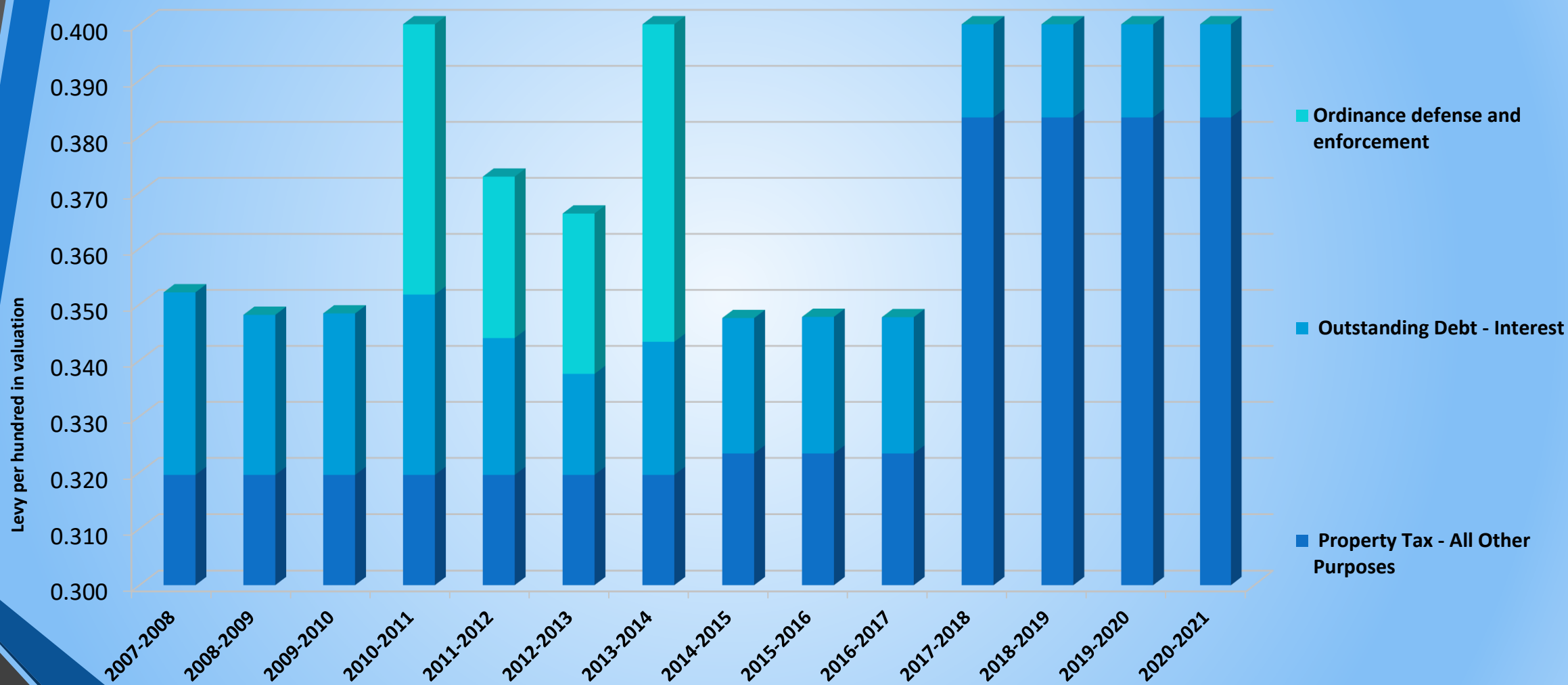
Property tax request (budget)



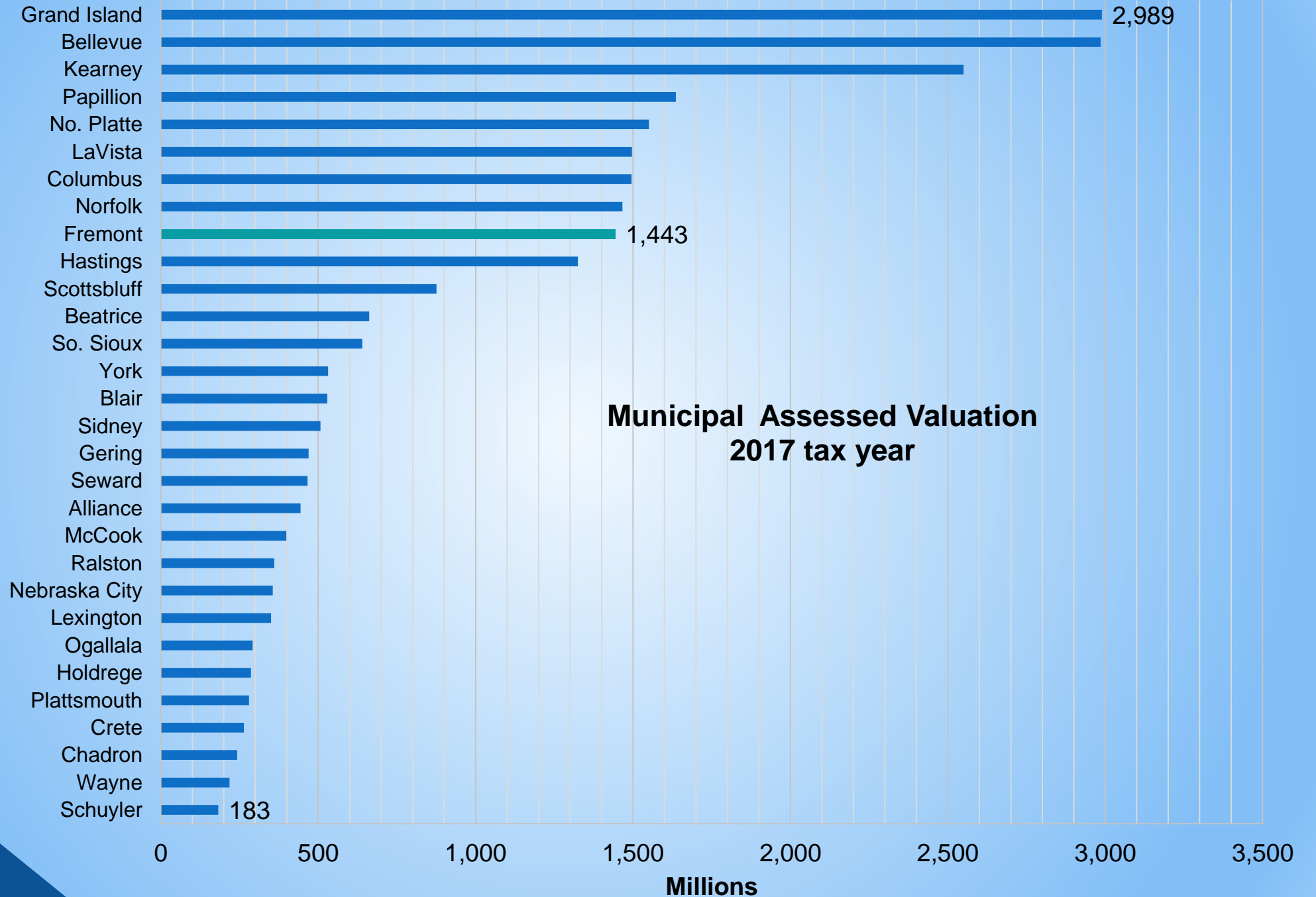
City of Fremont Property Values



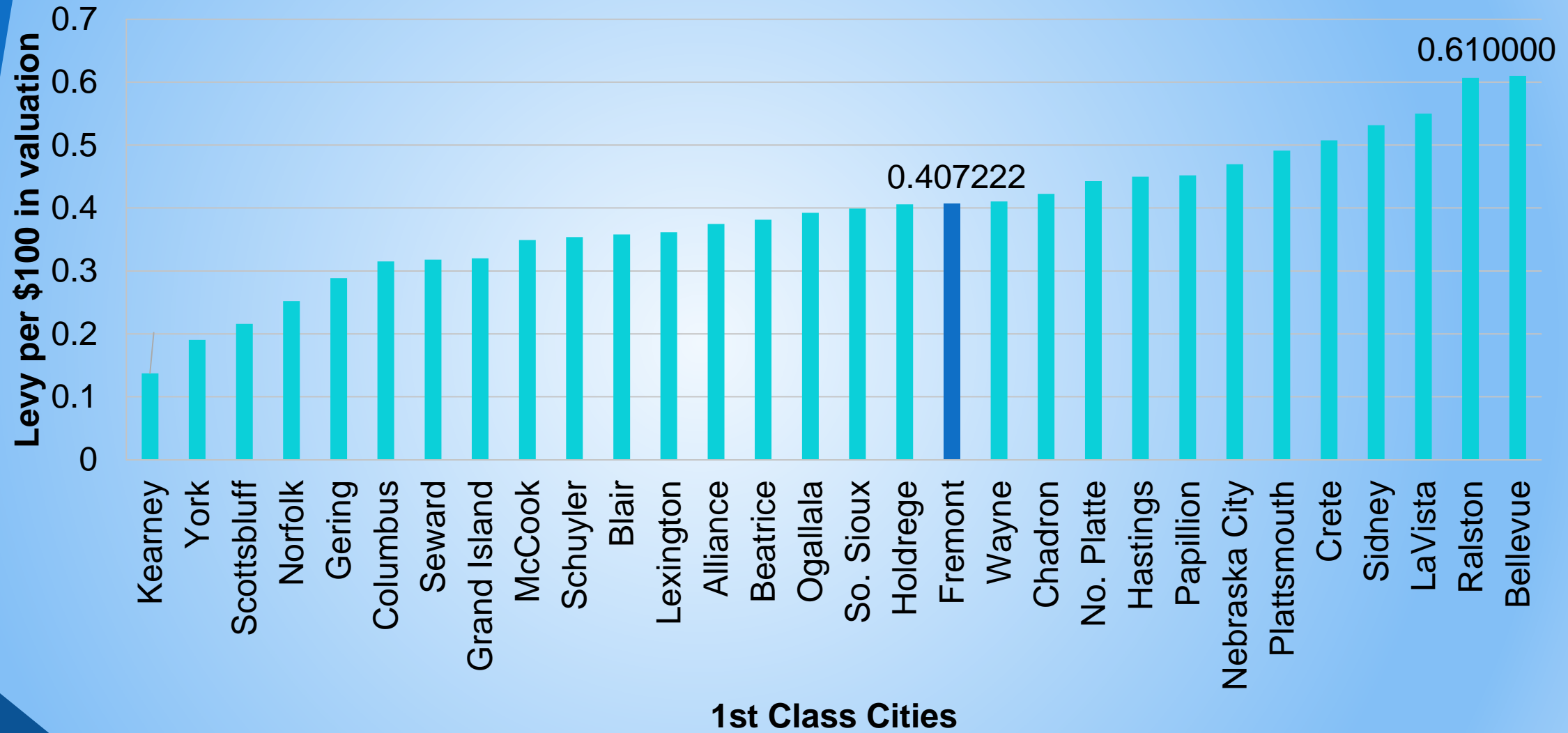
Property tax levy history (2008-2021 est)

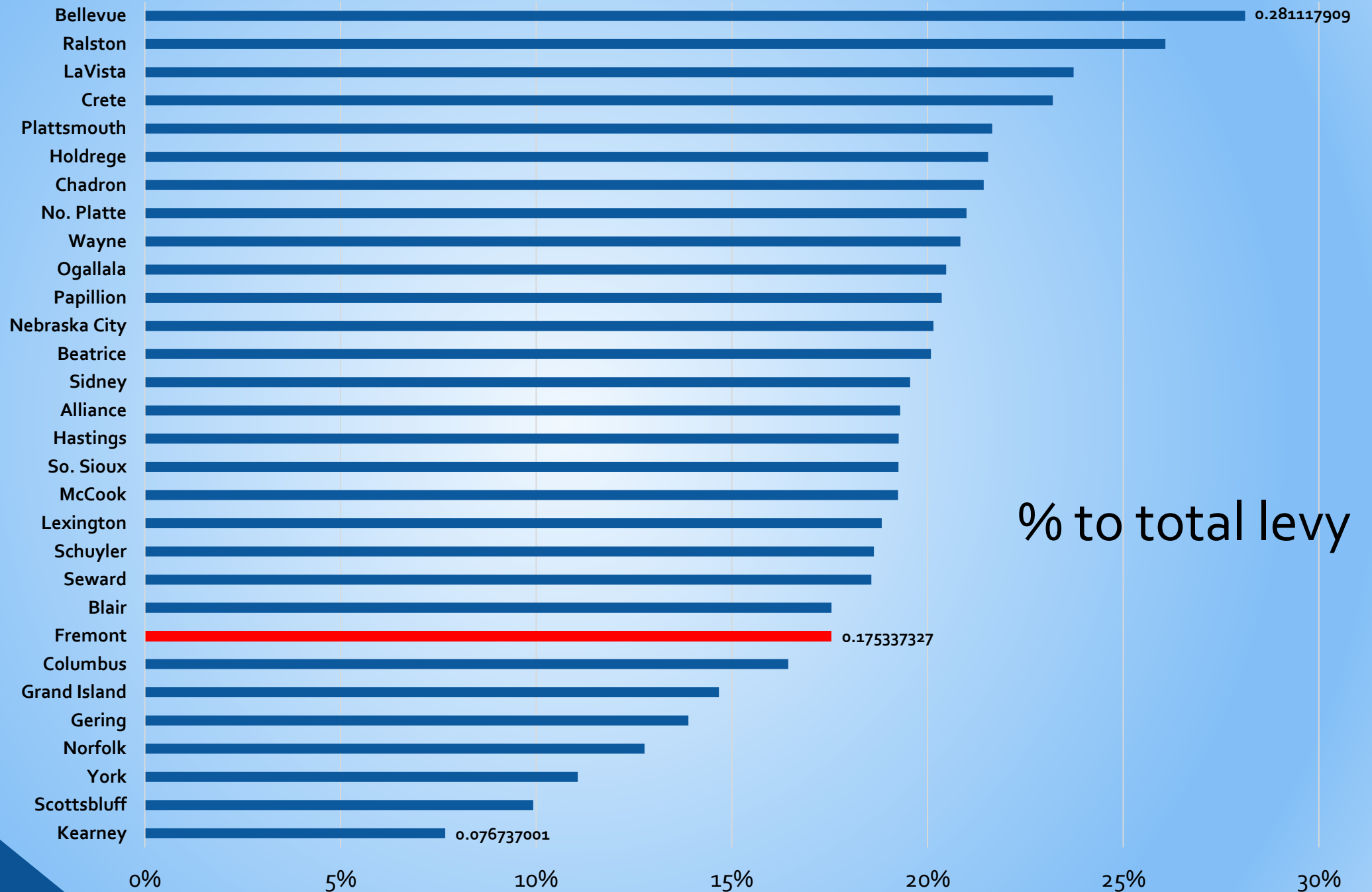


1st class cities

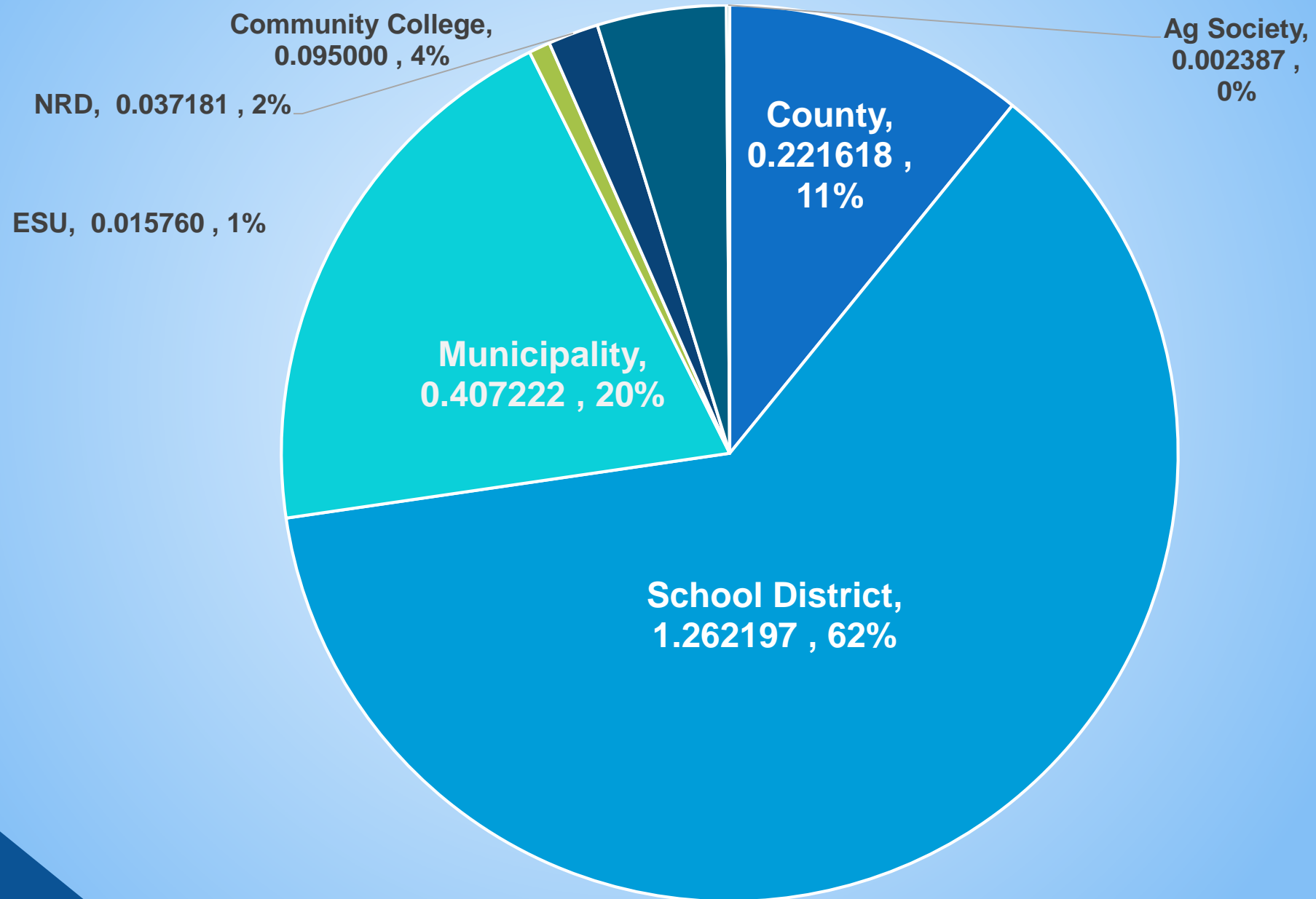


Municipal Tax Levies 2018

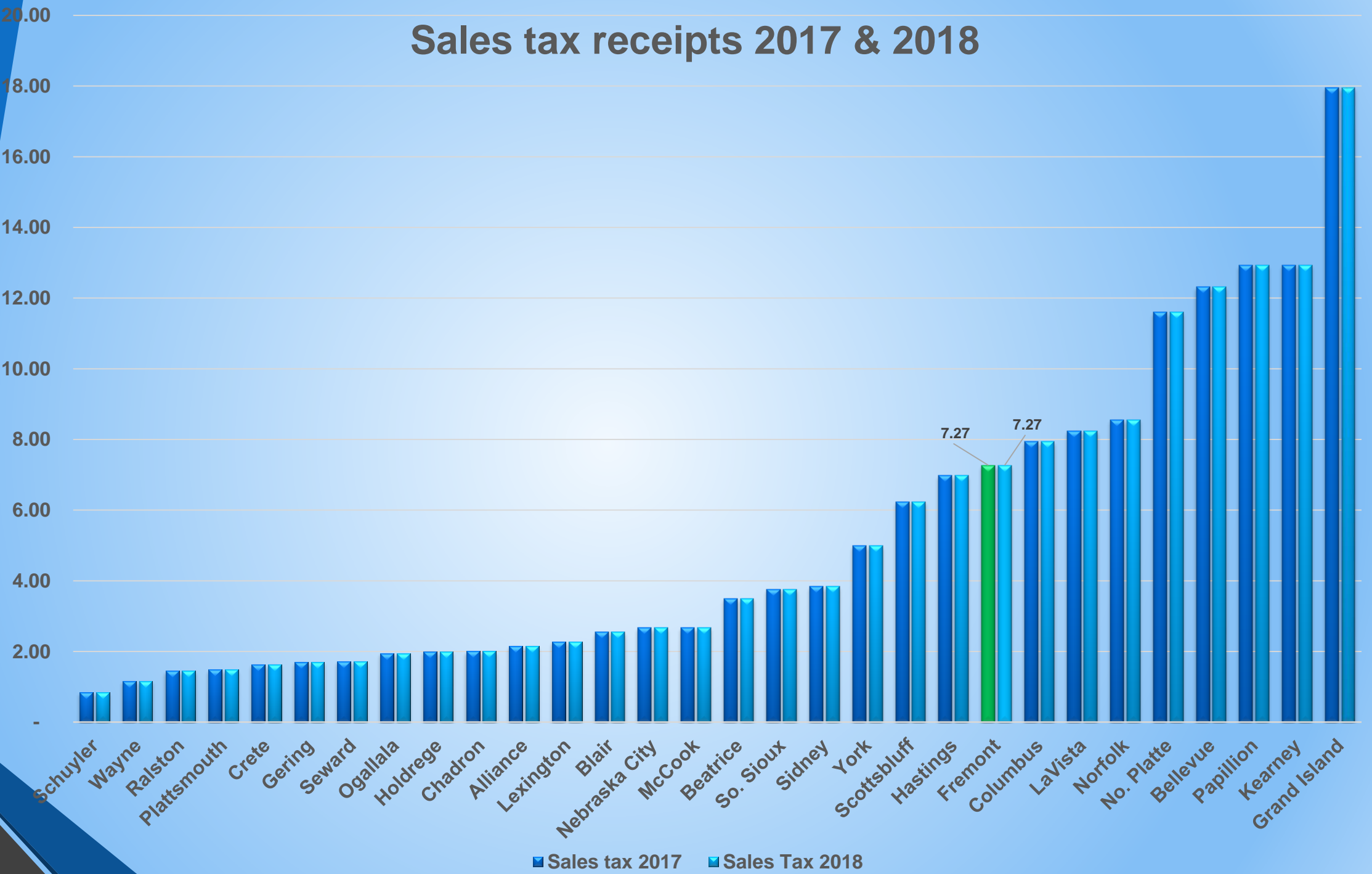




So what does that mean to a taxpayer?

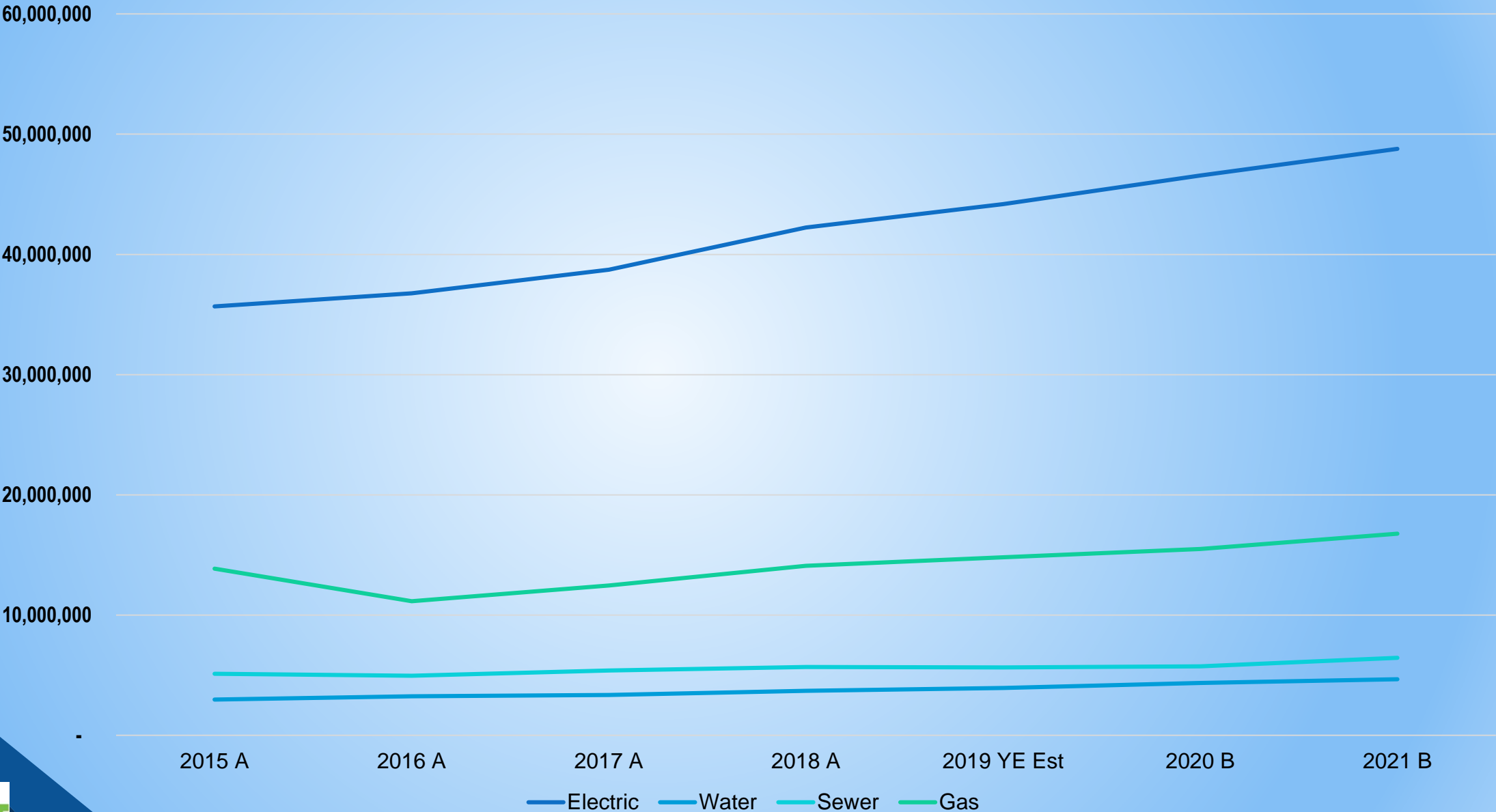


Sales tax receipts 2017 & 2018



Utility Fund Revenues

Utility Revenues



Are there limits on a City's budget?

The following slides are from a presentation given
by Deann Haeffner of the State Auditor's office

LIMITS ON BUDGET

- Municipalities must comply with 2 Limits
 - Levy Limit
 - 45 cents plus additional 5 cents if used toward interlocal agreements
- Lid Limit
 - Municipalities do not have a limit on expenditures

WHAT IS THE LID?

- Lid limits how much the Municipality can generate in taxes. No limit on how much can be spent.
- Current Lid began in 1998.
- Taxes in 1998 set the base authority amount.
- Each year's authority amount is allowed to increase.

ALLOWABLE INCREASES

						2016-2017	2017-2018
1	<u>BASE LIMITATION PERCENT INCREASE (2.5%)</u>					2.50 %	2.50 %
						(2a)	(2b)
2	<u>ALLOWABLE GROWTH PER THE ASSESSOR MINUS 2.5%</u>					0.95 %	
						(3a)	
	34,762,699.00	/	1,367,516,051.00	=	2.54 %		
	2017 Growth		2016 Valuation		Multiply times		
	per Assessor				100 To get %		
	45,300,472.00	/	1,328,862,407.00	=	3.41 %		
	2016 Growth		2015 Valuation		Multiply times		
	per Assessor				100 To get %		
3	<u>ADDITIONAL ONE PERCENT COUNCIL/BOARD APPROVED INCREASE</u>					1.00 %	1.00 %
						(4a)	(4b)
	7	/	8	=	87.50 %		
	# of Board Members		Total # of Members		Must be at least		
	voting "Yes" for		in Governing Body		75% (.75) of the		
	Increase				Governing Body		

ATTACH A COPY OF THE BOARD MINUTES APPROVING THE INCREASE.

TOTAL ALLOWABLE PERCENT INCREASE = Lines (2) + (3) + (4) + (5)	<u>4.45</u>	%	<u>3.50</u>	%
	(6a)		(6b)	

Allowable Dollar Amount of Increase to Restricted Funds =	<u>2018</u>	<u>2019</u>		
	Line (1) x Line (6a)	Line (8a) x Line (6b)	<u>727,241.14</u>	<u>597,440.85</u>
			(7a)	(7b)

Total Restricted Funds Authority =	<u>2016</u>	<u>2017</u>		
	Line (1) + Line (7a)	Line (8a) + Line (7b)	<u>17,069,738.68</u>	<u>17,667,179.53</u>
			(8a)	(8b)

Less: Restricted Funds from LC-3 Supporting Schedule	<u>10,299,248.85</u>	<u>2,742,776.01</u>
	(9a)	(9b)

Total Unused Restricted Funds Authority = Line (8c) - Line (9)	<u>6,770,489.83</u>	<u>14,924,403.52</u>
	(10a)	(10b)

**LINE (10) MUST BE GREATER THAN OR EQUAL TO ZERO OR
YOU ARE IN VIOLATION OF THE LID LAW.**

RESTRICTED FUNDS

- Budget must not generate more in taxes than the Restricted Funds Authority.
- Taxes are grouped together and given the label Restricted Funds.
- Exemptions to the authority.

Calculation of Restricted Funds

			2017-2018	2018-2019
Total Personal and Real Property Tax Requirements	(1)	\$	5,878,252.52	\$ 6,417,798.56
Motor Vehicle Pro-Rate	(3)	\$	14,000.00	\$ 14,000.00
In-Lieu of Tax Payments	(2)	\$	-	\$ -
Prior Year Budgeted Capital Improvements that were excluded from Restricted Funds.				
Prior Year 2015-2017 Capital Improvements Excluded from Restricted Funds (From 2015-2017 LC-3 Lid Exceptions, Line (17))		\$	14,254,298.00	
	(4)			
LESS: Amount Spent During 2015-2017		\$	2,573,813.57	
	(5)			
LESS: Amount Expected to be Spent in Future Budget Years		\$	11,680,484.43	
	(6)			
Amount to be included as Restricted Funds (<i>Cannot Be A Negative Number</i>)	(7)	\$	-	
Motor Vehicle Tax	(8)	\$	536,000.00	\$ 561,000.00
Local Option Sales Tax	(9)	\$	6,669,000.00	\$ 6,834,000.00
Transfers of Surplus Fees	(10)	\$	-	\$ -
Highway Allocation and Incentives	(11)	\$	2,597,292.00	\$ 2,865,109.00
MIRF	(12)	\$	-	\$ -
Motor Vehicle Fee	(13)	\$	-	\$ -
Municipal Equalization Fund	(14)	\$	888,849.00	\$ 930,961.00
Insurance Premium Tax	(15)	\$	-	\$ -
Nameplate Capacity Tax	(15a)	\$	-	\$ -
TOTAL RESTRICTED FUNDS (A)	(16)	\$	16,583,393.52	\$ 17,622,868.56

EXCEPTIONS TO THE LID

- Capital Improvements
 - Purchase of Land
 - Improvements to Land
- Interlocal Agreements
 - Exemption for the City portion
- Bonded Indebtedness

Can only take Exception if payment is made from a Restricted Fund

LC-3 Lid Exceptions

Capital Improvements (Real Property and Improvements
on Real Property)

\$ 16,890,970.00 (17)

LESS: Amount of prior year capital improvements that were
excluded from previous lid calculations but were not spent and
now budgeted this fiscal year *(cannot exclude same capital
improvements from more than one lid calculation.)*

Agrees to Line (6).

\$ 11,680,484.43 (18)

Allowable Capital Improvements

(19) \$ 5,210,485.57 \$ 13,761,150.00

Bonded Indebtedness

(20) \$ 340,960.00 \$ 342,715.00

Public Facilities Construction Projects (Statutes 72-2301 to 72-2308)

(21)

Interlocal Agreements/Joint Public Agency Agreements

(22) \$ 720,449.10 \$ 776,227.55

Public Safety Communication Project (Statute 86-416)

(23)

Payments to Retire Interest-Free Loans from the Department of Aeronautics
(Public Airports Only)

(24) \$ 12,250.00

Judgments

(25)

Refund of Property Taxes to Taxpayers

(26)

Repairs to Infrastructure Damaged by a Natural Disaster

(27)

TOTAL LID EXCEPTIONS (B)

(28) \$ 6,284,144.67 \$ 14,880,092.55

TOTAL RESTRICTED FUNDS

For Lid Computation

(To Line 9 of the LC-3 Lid Form)

\$ 10,299,248.85 \$ 2,742,776.01

To Calculate: Total Restricted Funds (A)-Line 16 MINUS Total Lid Exceptions (B)-Line

TOTAL ALLOWABLE PERCENT INCREASE = Lines (2) + (3) + (4) + (5)		<u>4.45</u> %	<u>3.50</u> %
		(6a)	(6b)

Allowable Dollar Amount of Increase to Restricted Funds =	<u>2018</u>	<u>2019</u>		
	Line (1) x Line (6a)	Line (8a) x Line (6b)	<u>727,241.14</u>	<u>597,440.85</u>
			(7a)	(7b)

Total Restricted Funds Authority =	<u>2016</u>	<u>2017</u>		
	Line (1) + Line (7a)	Line (8a) + Line (7b)	<u>17,069,738.68</u>	<u>17,667,179.53</u>
			(8a)	(8b)

Less: Restricted Funds from LC-3 Supporting Schedule	<u>10,299,248.85</u>	<u>2,742,776.01</u>
	(9a)	(9b)

Total Unused Restricted Funds Authority = Line (8c) - Line (9)	<u>6,770,489.83</u>	<u>14,924,403.52</u>
	(10a)	(10b)

**LINE (10) MUST BE GREATER THAN OR EQUAL TO ZERO OR
YOU ARE IN VIOLATION OF THE LID LAW.**

UNUSED AUTHORITY

Example

Authority of	\$1,000
Budget shows Restricted Funds of	<u>\$ 800</u>
Unused Authority	\$ 200

Next year you will start with the \$1,000 of Authority, you do not lose your \$200 of Authority you did not use.

UNUSED LID AUTHORITY

- Current laws do not show a benefit to listing exemptions that you do not need
- What does Unused Authority Number represent
 - Amount Municipality could have taxed under the lid but did not
 - If comparing to other Municipality's be cautious that other Municipality's may not have taken all exemptions available

Reserves

How much should a city have?

Reserves of the General Fund (Governmental)

- *Unassigned* fund balance 9/30/2018 \$11,889,161
 - Represents a 66.1% reserve level, or just less than eight months of operating expenses, or 97.4% of operating revenue.
 - When considering a reserve target it is helpful to consult outside standards. Two widely cited standards are GFOA's Best Practices and rating agency guidelines.
 - The GFOA Best Practice recommends, at a minimum, that general-purpose governments, regardless of size, maintain unrestricted fund balance in their general fund of no less than two months (16 percent) of regular general fund operating revenues or regular general fund operating expenditures.
 - Standard & Poor's considers reserves of between 1 percent and 4 percent of revenues to be "adequate," while reserves above 15 percent are "very strong."

CITY OF FREMONT, NEBRASKA
BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2018

	<u>General</u>	<u>Street</u>	<u>Sales Tax</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Permanent fund principal	-	-	-	125,000	125,000
Prepaid expenses	41,312	-	-	-	41,312
Restricted for:					
Debt service	-	-	-	95,949	95,949
Street improvements	-	8,618,363	5,777,104	-	14,395,467
Public safety	-	-	1,806,464	297,469	2,103,933
Infrastructure	-	-	7,082,987	-	7,082,987
Property tax relief	-	-	573,734	-	573,734
Economic development	-	-	7,687,856	607,802	8,295,658
Capital/special projects	-	-	-	2,353,193	2,353,193
Federal programs	-	-	-	1,164,103	1,164,103
Community betterment	-	-	-	463,848	463,848
Committed for:					
Code enforcement/defense	1,626,631	-	-	-	1,626,631
Capital improvement projects	3,000,000				3,000,000
Assigned for:					
Budget stabilization	-	-	-	-	-
Other	-	-	-	96,470	96,470
Unassigned	11,889,161	-	-	(223,669)	11,665,492
Total fund balances	<u>16,557,104</u>	<u>8,618,363</u>	<u>22,928,145</u>	<u>4,980,165</u>	<u>53,083,777</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,067,714</u>	<u>\$ 8,903,166</u>	<u>\$ 23,463,796</u>	<u>\$ 6,753,002</u>	<u>\$ 57,187,678</u>

Reserves of the Utility funds

- In the most recent bond rating from Standard & Poors, it was noted:
“System liquidity has also remained very strong over the last several years, in our opinion, with cash and investments of more than \$30 million for the last five years and \$33.5 million in 2016, covering more than 300 days of operating expenses. The city has separate reserve targets for each system, including at least three months' cash for each utility.”
- Days of operating cash (unrestricted) by fund at 9/30/2018:
 - Electric 114 days
 - Water 547 days
 - Sewer 305 days
 - Gas 102 days

CITY OF FREMONT, NEBRASKA
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
SEPTEMBER 30, 2018

	Enterprise Funds				Internal Service Fund	
	Electric Fund	Water Fund	Sewer Fund	Gas Fund		Total
NET POSITION						
Net investment in capital assets	70,100,343	19,606,780	34,942,813	8,180,618	132,830,554	-
Restricted for:						
Construction	-	-	-	-	-	-
Debt service	7,184,399	890,326	281,177	-	8,355,902	-
Fly ash disposal	825,495	-	-	-	825,495	-
Unrestricted	17,957,793	3,682,739	369,467	5,791,028	27,801,027	4,603,293
Total net position	\$ 96,068,030	\$ 24,179,845	\$ 35,593,457	13,971,646	\$ 169,812,978	\$ 4,603,293

Questions?